

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, JANUARY 18, 2005**, upon the application of **BRIDAS ENERGY USA, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **James Lime Formation, Reservoir A**, in the Grand Cane Field, DeSoto Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the James Lime Formation, Reservoir A.
2. To create two (2) drilling and production unit for the exploration for and production of gas and condensate from the James Lime Formation, Reservoir A, such units being designated JAMES RA SUA and JAMES RA SUB.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each separate tract sharing in unit production on a surface acreage basis of participation.
4. To designate an Operator of, and unit wells for, the proposed units as may be appropriate.
5. To adopt special field spacing rules for future horizontal wells drilled to the James Lime Formation, Reservoir A, in the Grand Cane Field, which would provide: (a) that the penetration point and terminus in the James Lime Formation, Reservoir A, of any lateral of any such horizontal well should be located no closer than 330 feet to any unit boundary; (b) that the average distance between the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the lateral is drilled should not be less than 1,000 feet; (c) that the distance from any point along the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the lateral is drilled should not be less than 660 feet; and (d) that there should be no well spacing limitations between wells other than that accomplished by application of the aforesaid provisions.
6. To provide that the gas allowable provisions of Statewide Order No. 29-F, LAC 43:XIX.2101 et seq., should not apply to horizontal wells drilled to the James Lime Formation, Reservoir A, but that all such wells should be given an allowable based on the maximum efficient rate (MER) of the well, being the maximum sustainable daily withdrawal rate from the reservoir which will permit economical development and reservoir depletion without causing waste.
7. To provide that the Commissioner of Conservation may reclassify the James Lime Formation, Reservoir A, by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.
8. To consider such other matters as may be pertinent.

The James Lime Formation, Reservoir A, is hereby defined as that gas and condensate bearing interval encountered between the depths of 5,655 feet and 5,880 feet, electric log measurements, in the Bidas Energy USA, Inc. - BR Bedsole Enterprises No. 1 Well, located in Section 14, Township 12 North, Range 15 West, DeSoto Parish, Louisiana.

GRAND CANE FIELD

05-26

A plat is available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

**JAMES H. WELSH
COMMISSIONER OF CONSERVATION**

Baton Rouge, La

12/3/04;12/8/04

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**IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH
DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-
ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275
IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.**